

## **MINUTES**

### **STATE OF WASHINGTON**

#### **ENERGY FACILITY SITE EVALUATION COUNCIL**

##### **February 14, 2000 – Regular Meeting**

Rowe Six Conference Center – Building 1  
4224 6<sup>th</sup> Avenue SE  
Lacey, Washington

##### **Item 1: Call to Order**

The meeting was called to order at 1:30 p.m. by Chair Deborah Ross. A quorum was present.

##### **Item 2: Roll Call**

<b>Chair</b>	Deborah Ross
<b>Department of Agriculture</b>	Daniel Jemelka
<b>Department of Community, Trade, and Economic Development</b>	Heather Ballash
<b>Department of Ecology</b>	Charles Carelli
<b>Department of Fish &amp; Wildlife</b>	Jenene Ratassepp
<b>Department of Health</b>	Ellen Haars
<b>Military Department</b>	Glen Woodbury
<b>Department of Natural Resources</b>	Gayle Rothrock
<b>Department of Transportation</b>	Gary Ray (via phone)
<b>Utilities &amp; Transportation Commission</b>	C. Robert Wallis

##### **Others in Attendance**

**EFSEC Staff**  
Allen Fiksdal  
Mike Mills  
Irina Makarow  
Diane Burnett

**Jones & Stokes Associates**  
Grant Bailey

**Counsel for the Environment (Sumas 2)**  
Mary Barrett

**Assistant Attorney General**  
Richard Heath

**Sumas Energy 2**  
Darrell Jones

**Perkins Coie LLP**  
Karen McGaffey

**Guests**  
Cindy Custer, Bonneville Power Admin.  
John Barratt and Mike Elmer, Northwest  
Power Enterprises  
William Frymire, Asst. Attorney General  
Curt Leigh, Dept. of Fish & Wildlife  
Alex Pilaris, Dept. of Ecology  
Rose and David Spogen, John Mudge, Critical  
Issues Council  
Paul Margaritis, Chehalis Power

**Dames & Moore**

Katy Chaney

**Energy Northwest**

Bill Kiel

Laura Schinnell

Margaret Allen, Executive Board

**Item 3: Approval of Minutes – January 10, 2000**

The draft minutes from the January 10, 2000 Council meeting were approved, with one correction.

**Item 4: Adoption of Proposed Agenda**

The proposed agenda was adopted.

**Item 5: Northwest Power Enterprises, Starbuck Power Project**

***Request for Potential Site Study***

***(John Barratt reporting)***

John Barratt, Senior Vice President, Northwest Power Enterprises (NPE), addressed the Council to submit a request for a potential site study for a proposed 1100-megawatt gas-fired project outside the town of Starbuck, in Columbia County. They have retained the engineering firm of Black and Veatch and the environmental permitting firm of CH2M Hill. NPE provided two documents to the Council; the first, a letter that describes the project, the schedule they propose, and a description of the company; and the second, a transmittal letter with their check for the potential site study cost attached.

Chair Ross asked Mr. Barratt if EFSEC staff had discussed with him the pilot application review process that the Council adopted, and what that process entailed. Mr. Barratt stated it had been explained to him, that he anticipated an open process, and that staff assist NPE with public outreach to solicit comment on the project. NPE would be open to any ideas regarding ways to streamline and expedite the process.

Mr. Fiksdal stated that he has had discussions with Jones and Stokes Associates (JSA) regarding this potential site study, and will need to amend the contract with JSA to ensure enough funds are available for them to undertake this task for the Council. He has prepared a contract amendment for the Council's review for this change. He asked that the Council review it and give Chair Ross authorization to sign it on their behalf.

**Motion:** It was moved and seconded that Chair Ross be given authorization to amend the Jones and Stokes Associates contract to include work on the Starbuck site study.

**Action:** The motion passed unanimously.

**Item 6: Sumas 2 Generation Facility, Application No. 99-1**

### ***Adjudication/Intervention Process***

***(Allen Fiksdal reporting)***

Mr. Fiksdal briefed the Council on the adjudication and intervention process being developed by Council staff. He indicated that the Notice of Intervention and a fact sheet were prepared and sent to several EFSEC mailing lists. This notice opens intervention and notes that it will close with the end of the comment period for the draft EIS. Exact dates remain to be determined at a later date. This notice was also published in four local newspapers as a legal ad. All needed steps to open intervention have been completed.

Mr. Grant Bailey was asked to brief the Council on the status of the draft EIS. He indicated JSA was close to having all the sections completed. Mr. Fiksdal also informed the Council that he was leaving the meeting early to attend the Sumas City Council meeting, to discuss the Sumas project and the Council's process of review of this project.

### **Item 7: Chehalis Generation Facility**

#### ***Recommended Site Certification Agreement Amendment Review Process***

***(Allen Fiksdal reporting)***

Chair Ross, having recused herself from involvement in the Chehalis Generation Facility SCA Amendment, asked Vice-Chair Wallis to lead this discussion. Vice-Chair Wallis then asked Mr. Fiksdal to brief the Council on the status of the amendment for the Chehalis Generation Facility SCA review process.

Mr. Fiksdal stated that at the last regular meeting, Chehalis Power submitted a request to amend the Chehalis Generation Facility SCA. The Council, according to their rules, asked the Executive Committee (EC) to review this request. The EC heard comments from Chehalis Power and the Critical Issues Council members, and discussed how the review of this amendment request should proceed. Chehalis Power suggested to the EC that they not enter into an adjudicative proceeding, that they felt public hearings were all that was needed in this case. The Critical Issues Council members suggested a similar process, including a pre-hearing conference for an informal discussion of the amendment request. The Executive Committee determined that the proposed SCA amendment was significant, and required review through an adjudicative proceeding, followed by a recommendation to the Governor.

Vice-Chair Wallis stated that, after consultation with Mr. Heath, legal counsel for the Council, the EC felt that adjudication is required. However, the EC was receptive to the concept of abbreviating the formality of the proceeding to the extent possible to accomplish the purpose of the rules. The exact adjudicative process will be established at the pre-hearing conference.

Mr. Dave Spogen commented that his major concern was that many of the Council members are relatively new and a review of the past dealings was warranted. He wanted to see this included in the pre-hearing conference discussions.

Mr. Paul Margaritis commented that he supports an adjudicative process that is less formal, as has been described. The only point he wanted to stress was that in order to continue to pursue the construction schedule outlined previously for the Council, they would request that the process proceed as quickly as possible, given the constraints of the notification periods required.

**Motion:** It was moved and seconded that the Council will conduct an adjudicative proceeding for the Chehalis Generation Facility amendment request and consider ways to abbreviate the process.

**Action:** The motion passed unanimously.

### **Item 8: Energy Northwest Nuclear Projects (WNP-2 and 1/4) and Satsop Combustion Turbine (CT) Project**

#### ***WNP-2 Operations***

***(Bill Kiel reporting)***

Mr. Kiel provided the Council with an update on the WNP-2 Operations. Again last month, WNP-2 set monthly records for generation and low radiation exposure. They had two planned outages; the first on January 1 when they reduced the plant's power to 80% for the Y2K Rollover and the second on January 22 when they brought the plant down to perform control rod changes and turbine valve testing. They had one unplanned loss during the month because of a loss of a feed water heater. As of this morning, the plant was generating approximately 1150 megawatts of power. The plant has been on-line since October 24<sup>th</sup>.

The US Department of Energy (USDOE) notified Energy Northwest (ENW) a few weeks ago they had observed tritium in a well, which was close to the WNP-2 site. The tritium observed in this well was at higher level than anything that had been seen on the Hanford Reservation. The monitoring well is just outside the fence surrounding an old waste burial ground that lies west of the plant site. USDOE has requested ENW's assistance in examining the previous groundwater data collected in that area and they have also requested, and were given, access to wells on ENW property. By the end of today, all of the wells will have been sampled. From ENW's perspective, this discovery does not pose a threat to the plant or to personnel; drinking water for the plant comes from the Columbia River and is not affected by this problem. The drinking water for WNP-1, however, does come from wells that are located about a mile from this burial area. They have been monitoring the wells quarterly for tritium for many years, as part of the radiological monitoring program, and the samplings show no tritium contamination. ENW will continue monitoring the wells and follow the USDOE process.

At WNP-1, ENW received approval from the Council for building removal activities and for the environmental survey. He also noted that Bonneville Power Administration (BPA) staff met with the EC last month and shared their thoughts on site restoration. On February 9<sup>th</sup>, ENW met with EFSEC staff, Dept. of Ecology and Benton County Clean Air Authority, to discuss the onsite disposal of asbesto-containing transite material in the 1 and 4 cooling towers. They are hopeful that the Council will be able to consider action on their request at next month's regular meeting.

Looking ahead, the WNP-1 staff have arranged to meet next week with Control Demolition, Inc., to discuss a demonstration demolition on site 4. If these discussions go well, ENW will present the Council with a request for this activity.

***Satsop CT Project – Extension of PSD Air Emissions Permit***

***(Irina Makarow reporting)***

**Public Hearing:** Chair Ross opened a public hearing for the purpose of receiving public testimony regarding the proposed extension of the Notice of Construction and Prevention of Significant Deterioration (PSD) Air Quality Permit Approval for the Satsop Combustion Project, two-unit combustion turbine natural gas-fired project. The hearing began at 2:00 p.m. at the Rowe Six Conference Center, Lacey, WA.

Ms. Makarow, EFSEC Staff, provided background information on the proposed extension request. The US Environmental Protection Agency and Ecology PSD guidance indicate that the owner/operator of a proposed facility can obtain up to two 18-month extensions for an originally approved permit, and that this would be the second and last extension of the Satsop CT permit. If the facility hasn't started construction by the time this extension expires, the operator will have to apply for a completely new PSD permit. EFSEC staff have mailed notice to appropriate state and federal agencies, project stakeholders, and interested parties, as well as to the Council's minutes and agendas list, and have received no comments regarding this extension. The notice was also published in the Montesano Vidette on January 13, 2000. Mr. Alex Piliaris from Ecology's Air Program was introduced and asked to comment regarding the technical aspects of this extension.

Mr. Piliaris commented that the Best Available Control Technology (BACT) data received by Ecology was analyzed and compared to other projects of similar types and they contacted the applicant, indicating the BACT data needed to be revised, which the applicant completed. The new BACT analysis resulted in a reduction the emission of 3.0 ppm Oxides of Nitrogen (NOx) reducing the total NOx emissions from the original limit of 500 tons per year to 203 tons per year. Ecology is satisfied that the permit meets federal and state requirements and is recommending approval of the permit extension.

Chair Ross asked if anyone present in the audience would like to comment. There were no additional comments. The public hearing was concluded.

**Motion:** It was moved and seconded that the second PSD permit extension for the Satsop Combustion Project be approved by the Council.

**Action:** The motion passed unanimously.

***WNP-1/4 Site Restoration***

***(Mike Mills reporting)***

**Proposed Lease to Fluor Federal Services:** Mr. Mills briefed the Council on the request from Energy Northwest to lease one of their warehouse buildings on the WNP-1 site to Fluor Federal Services. Fluor would use the space to fabricate and test equipment in support of a USDOE project on the Hanford Site. Mr. Mills indicated he had reviewed the lease and compared it to the earlier criteria established by the Council, and the lease meets those guidelines. Staff recommended that the Council approve the lease.

Chair Ross had one question on the lease. It was regarding handwritten items wrote in the margin; her copy was not clear enough to read. Mr. Mills clarified for her and the Council members what the writing stated.

Ms. Haars had one question regarding the use of paint in this lease. It appeared to her that its use, per the wording in the lease, was prohibited. Mr. Kiel clarified that its use would not be prohibited, but it would be something the company would have to receive approval from ENW to use.

**Motion:** It was moved and seconded that the Council approve the lease between Energy Northwest and Fluor Federal Services.

**Action:** The motion passed unanimously.

Ecology Contract Amendment—Landfill: Mr. Mills reviewed a February 3 letter from him to Steve Skurla, Department of Ecology in Kennewick, describing the ongoing review process regarding ENW's request to revise their WNP-1/4 Landfill Plan, to allow for asbestos-containing materials. Mr. Skurla is the responsible person in that office that handles the ENW sites. Staff is working with Ecology and Benton County Clean Air Authority regarding this revision. In reviewing the workload associated with this effort, it became clear that the current contract with Ecology would not have enough funds to complete their review. Staff is requesting to increase the WNP-1 budget authorization by \$5,000 for the remainder of this fiscal year to allow for this work to be conducted, which would include a sub-contract with the Benton County Clean Air Authority for their portion of this review.

**Motion:** It was moved and seconded that the Council authorize a contract amendment with Ecology to allow for the department to continue their review of the WNP-1/4 Landfill Plan revisions.

**Action:** The motion passed unanimously. As required, the Department of Ecology member abstained from the voting.

Mr. Mills added that ENW had submitted a work plan that listed a number of restoration tasks, that they hoped to accomplish. ENW is continuing discussions with BPA to obtain funding to complete the restoration work identified in the plan. Staff will keep the Council informed on their progress.

## **Item 9: Legislation**

EFSEC Related Bills: Chair Ross indicated that there are two companion bills introduced to the legislature to study EFSEC; the Senate version passed with some amendments that provided for stakeholder involvement, in the form of non-voting membership, and other items. The House version did not pass out of committee. The Senate version will have to now pass to the House but it is not clear what committee it will be reviewed in.

There are also companion bills on the House and Senate sides which would transfer all oil pipeline safety responsibilities to the Department of Ecology, but retain natural gas pipeline safety with the Utilities and Transportation Commission, where it is currently located.

Two bills have passed out of committee related to WNP-1/4. These bills were the tag-on of the Satsop transfer bill that was passed a few years ago that would have authorized similar restoration activities at the WNP-1/4 site. EFSEC had expressed concern that the bill will authorize transfer of only a portion of the site at WNP-1/4, leaving the state with responsibility

for the portions that the counties didn't transfer. In response to EFSEC's concerns expressed regarding this, the bill passed with an amendment stating if any portion of a site is transferred, EFSEC will be relieved of responsibility for any portion of the site that is no longer going to be a nuclear facility.

As the same time, the Department's of Ecology and Fish and Wildlife both testified that they had concerns with the bills because they created water rights at the same time those sites were transferred, and those water rights were taken out of the bills. The substitute bills passed with EFSEC's, Fish and Wildlife's, and Ecology's concerns satisfied.

Mr. Carelli added that he believed the House version eliminated all the water issues but the Senate version did not; it still contains the water rights.

Tomorrow is the deadline for all bills to be out of their house of origin.

#### **Item 10: Council Affairs**

Chair Ross -- The Executive Committee has agreed that they will move the start time for their meetings to 1:00 p.m. This change will start next Tuesday, February 22<sup>nd</sup>.

Mr. Fiksdal -- The next Executive Committee meeting scheduled for Monday the 21<sup>st</sup> is moved to the 22<sup>nd</sup>, since Monday is a holiday. The next regular Council meeting is at the Plum Street conference room instead of Rowe Six. He will send a reminder to Council members on this change of location.

Staff have completed the interview process for, and have hired, a temporary clerical person to assist with archiving projects for the office. She will be brought on board as soon as possible.

#### **Item 11: Adjourn**

The meeting adjourned at 3:40 p.m.